



CALIFORNIA HIGH-SPEED RAIL AUTHORITY

FOR IMMEDIATE RELEASE
October 9, 2008

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Economic Analysis Finds High-Speed Trains will be a Boon for Los Angeles and Southern California Region

AT A GLANCE: The California High-Speed Train project will:

- Infuse an additional 2%-4% into the Los Angeles Region's economic growth annually,
- Provide an annual increase in household incomes of more than \$800 per family of four,
- Reduce unemployment by 1%-2%, and
- Add \$348 million per year to L.A. County tax revenues by 2020.

LOS ANGELES - An economic analysis on the impact of the California high-speed train system in the Los Angeles area has determined that the project will be an immediate stimulus to the economy during construction and add 2%-4% to the region's economic growth on an ongoing basis. The increase alone will be more than the entire GDP of 20 California counties and will last throughout the operating lifetime of the high-speed train system.

The project's regional economic, mobility, and environmental impacts are outlined in the just-completed **"Unlocking the Gridlock in Los Angeles County's Transportation System: The Local Economic Benefits of High-Speed Rail,"** by Dr. Philip J. Romero, dean and professor of economics at California State University/Los Angeles. Dr. Romero's findings illustrate the potential regional impact of the statewide high-speed train network as a proven transportation alternative to the more expensive option of expanding freeways and airports.

"Not only will the high-speed train system greatly enhance mobility throughout Los Angeles County, it will also infuse billions of dollars into the economy, which will be felt in every household in the region," Dr. Romero said. "The California high-speed train project will put L.A.'s construction industry – the core of our current recession – back to work. What's more, by taking thousands of cars off L.A. highways, it will eliminate a major handicap to our competitiveness and attract green employers with jobs for decades to come."

Dr. Romero's analysis was one of six conducted throughout California. Other regions studied were Orange County, Inland Empire, San Diego, Central California, and the Bay Area, which also found significant economic benefits on a region-by-region basis.

The regional economic impact reports are being completed as residents throughout California are considering Proposition 1A – a \$9.95 billion bond that is on the November ballot, which would provide funding for the system. According to Dr. Romero, "High-speed trains will generate more economic

benefits annually to Los Angeles alone from added economic activity than the entire cost of the Proposition 1A bond, whose expense will be borne only partly by Angelenos, and will be spread over many years.”

Inland Empire

In the Inland Empire, economist Dr. John Husing determined the high-speed train project would change the competitive dynamics of the Inland Empire, making it profitable for some sectors to expand through adding new businesses and additional employment. The high-speed train would help create nearly 20,000 new jobs – many of which are in good paying sectors such as transportation, communication and utilities, financial services, wholesale trade, and manufacturing – and generate more than \$700 million in wages/salaries, lower annual travel costs of up to \$20,000 per person, and contribute more than \$2 billion annually to the economy by 2030. For more information and the complete report, go to www.cahighspeedrail.ca.gov

Orange County

In Orange County, high-speed trains will generate significant transportation efficiencies, leveraging local infrastructure at the Anaheim Regional Transportation Intermodal Center (ARTIC) as well as supporting tourism and new visions of transit oriented development in Orange County. High-speed trains will reduce travel costs by approximately \$300,000 annually and generate time savings of over \$1.7 million annually for commuters traveling by high-speed trains instead of by automobile. This is in addition to a vast increase in employment growth estimated at 23,000 new jobs by 2030, over and above the projected increase in jobs if no high-speed train network is built. The report conducted by the Orange County Business Council noted that the increase in jobs will bring nearly \$103 million in additional tax revenue annually to Orange County. For the complete report, go to www.cahighspeedrail.ca.gov

Dr. Philip J. Romero, Dean and Professor of Economics at CSU Los Angeles

Dr. Romero's background combines think-tank economics, corporate strategy, and high-level public policy. After working for most of the 1980s as a research economist and defense policy specialist at California's RAND Corporation, in 1990 he was named director of strategic planning for United Technologies Corp.

In 1991 Dr. Romero was tapped by newly-elected Governor Pete Wilson to become California's chief economist, where he served as troubleshooter on business and economic operations until 1999. He was the author and implementer of key improvements in California's business climate. During his tenure in the Governor's office, he served as acting director of the state Office of Planning and Research, and as Deputy Cabinet Secretary. He was also Executive Director of the California Managed Health Care Improvement Task Force, which designed an overhaul of state regulation of the HMO industry.

Dr. Romero earned a Ph.D. (1988) and M.A. (1985) in Policy Analysis with Distinction from the RAND Graduate School, and a B.A. in Economics and Political Science from Cornell University (1983). He has published numerous research papers on a range of strategy and policy topics, including business regulation, tax policy, international trade, international economic growth, health reform, the Federal budget, and crisis management.

Prior to becoming dean of Cal State LA's business school in June 2008, Dr. Romero was been a Professor of Business Administration at the University of Oregon's Lundquist College of Business since 1999, where he held the Miller chair. From 1999-2004 he served as dean at Oregon.